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PHASE I

ENVIRONMENTAL SITE ASSESSMENT

MnDOT Property

32nd Avenue South Between 41st & 42nd Street East
Minneapolis, Minnesota

Contract Number C-21363

Notice to Proceed Number 001

AET Project No. 03-02301

Date:

February 25, 2005

St. Paul, MN
Duluth, MN
Mankato, MN
Marshall, MN
Rochester, MN
Pierre, SD
Rapid City, SD
Sioux Falls, SD
Wausau, WI

Prepared for:

Minneapolis Community Planning & Economic Development
105 5th Avenue South, Suite 200
Minneapolis, MN 55415-2534



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February 25, 2005

Minneapolis Community Planning & Economic Development
105 5th Avenue South, Suite 200
Minneapolis, MN 55415-2534

Attn: Mr. Steve Maki

RE: Phase I Environmental Site Assessment
MnDOT Property
32nd Avenue South between 41st and 42nd Street East
Minneapolis, Minnesota
Contract Number C-21363
Notice to Proceed Number 001
AET Project No. 03-02301

Dear Mr. Maki:

American Engineering Testing, Inc. has completed Phase I Environmental Site Assessment services at the above-referenced property in Minneapolis, Minnesota. This work was done in accordance with the Minneapolis Community Planning and Economic Development Notice to Proceed Number 001 under Contract Number C-21363.

We appreciate the opportunity to have been of service to you on this project. If you have any questions regarding the information presented in this Phase I Environmental Site Assessment report, or if we may be of additional service, please contact me.

Sincerely,
American Engineering Testing, Inc.

Charles W. Bisek
Senior Environmental Scientist

Phone: (651) 659-1310
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**PHASE I
ENVIRONMENTAL SITE ASSESSMENT
MnDOT PROPERTY
32nd AVENUE SOUTH BETWEEN 41st & 42nd STREET EAST
MINNEAPOLIS, MINNESOTA**

AET PROJECT NO. 03-02301

1.0 EXECUTIVE SUMMARY

American Engineering Testing, Inc. (AET) was authorized by Minneapolis- Community Planning & Economic Development (CPED) to conduct a Phase I Environmental Site Assessment (ESA) for a MnDOT parcel located west of 32nd Avenue South between 41st & 42nd Street East in Minneapolis, Minnesota. Hereafter, the parcel will be referred to as the PROPERTY.

1.1 Findings

No known or suspected environmental conditions were identified at or in close proximity of the PROPERTY.

1.2 Conclusions

We have performed a Phase I ESA in conformance with the scope and limitations of ASTM Practice E 1527-00 of the PROPERTY. Any exceptions to, or deletions from, this practice are described in Section 2.3 of this report. This assessment has revealed no evidence of recognized environmental conditions in connection with the PROPERTY.

1.3 Remarks

Although no recognized environmental conditions were identified at the PROPERTY, it is important to note that the PROPERTY was previously developed with various buildings that included mostly residences. At the time of our visit to the PROPERTY we observed a concrete slab associated with a former garage at the PROPERTY. The remains of buildings that

previously occupied the PROPERTY are likely present. If encountered in conjunction with the proposed construction, the remains of these buildings will need to be properly managed.

2.0 INTRODUCTION

2.1 Purpose

The purpose of this Phase I ESA is to identify, to the extent reasonable pursuant to the methodology prescribed herein, recognized environmental conditions in connection with the PROPERTY.

"Recognized environmental conditions" are defined to mean the presence or likely presence of any *hazardous substances* or *petroleum products* on the PROPERTY under conditions that indicate an existing release, a past release, or a material threat of a release of any *hazardous substances* or *petroleum products* into structures on the PROPERTY or into the ground, groundwater, or surface water of the PROPERTY. The term includes *hazardous substances* or *petroleum products* even under conditions in compliance with laws. The term is not intended to include "*de minimis*" conditions that generally do not present a material risk of harm to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. Conditions determined to be "*de minimis*" are not recognized environmental conditions.

2.2 Scope of Services

We understand this Phase I ESA is being performed to satisfy one of the requirements to qualify for the innocent landowner defense to CERCLA liability. The scope of services provided by AET for the PROPERTY includes the following items:

- Review federal, state, and local records to help identify recognized environmental conditions in connection with the PROPERTY.

- Review historical sources to develop a history of the previous uses or occupancies of the PROPERTY and surrounding area.
- Observe the PROPERTY to obtain information indicating the likelihood of identifying recognized environmental conditions in connection with the PROPERTY.
- Visually observe the PROPERTY for on-site solid or hazardous waste disposal.
- Identification of transformers, capacitors or other potential PCB containing equipment.
- Interview representatives of the owner to obtain information indicating recognized environmental conditions in connection with the PROPERTY.
- Preparation of a written report.

Our services to you are strictly limited to the scope described above. For your information, there may be certain environmental conditions on the PROPERTY that are beyond the scope of our Phase I ESA services. Some of these environmental conditions include substances that may be present on the PROPERTY in quantities and under conditions that may lead to contamination of the PROPERTY or of nearby properties but are not included in CERCLA's definition of hazardous substances or do not otherwise present potential CERCLA liability.

The following are non-scope considerations you may want to assess in connection with this property. No implication is intended as to the relative importance of inquiry into such non-scope considerations. This list of non-scope considerations is not intended to be all-inclusive.

- High voltage powerlines
- Radon
- Lead in drinking water
- Lead paint
- Wetlands
- Site flooding
- Indoor air quality
- Mold, fungi or bacterial growth in building structures
- Physical properties of the soils and bedrock for site grading or foundation considerations
- Regulatory compliance
- Cultural and historic resources
- Industrial hygiene
- Health and safety
- Ecological resources
- Endangered species
- Asbestos-containing materials

If you desire to obtain more information on these and other non-scope considerations, please contact us.

2.3 Limitations and Exceptions of Assessment

You should be aware that, even though we follow the current ASTM practice standard for this service, there may be localized contamination on the PROPERTY we cannot ascertain and will not be responsible for, given this work scope. Such contamination could be related to disposal of contaminants not reported to appropriate government agencies, not made known to us or not reasonably visible to us at the time of our site observations as part of service for this Phase I ESA.

The PROPERTY surface was partially snow covered and vegetation was seasonally dormant at the time we performed our visit to the PROPERTY. Also, the single house present at the PROPERTY was vacant and locked at the time of our visit.

2.4 Reliance

This Phase I ESA has been prepared for the exclusive use of CPED for specific application to the PROPERTY.

2.5 Methodology Used

This Phase I ESA was conducted in general accordance with ASTM Practice E 1527-00. Information was compiled through records review, on-site observation, and interviews with associated people.

3.0 PROPERTY DESCRIPTION

3.1 Location and Description

This PROPERTY is located west of 32nd Avenue South between 41st & 42nd Street East. The PROPERTY is located in Section 7, Township 28N, Range 23W, Hennepin County. The location of the PROPERTY is shown on Figure 1. Figure 2, which was provided to us by MnDOT, shows the configuration of the PROPERTY.

3.2 PROPERTY and Vicinity Characteristics

The PROPERTY is comprised of slightly less than 2 acres located in a residentially developed area (west and south) and industrially developed area (northeast) in Minneapolis.

The PROPERTY is bordered as noted below.

North and East:

The Light Rail Transit line runs along the northeast side of the PROPERTY with Hiawatha Avenue (Highway 55) parallel to the northeast side of the Light Rail Transit line. An earthen berm is present between the rail line and the northeast side of the PROPERTY.

South:

A residence is adjacent to the south side of the west half of the PROPERTY with 42nd Street East south of the east half of the PROPERTY.

West:

32nd Avenue South is adjacent to the west side of the PROPERTY, except for the south end where two residential structures and detached garages are present between the west side of the PROPERTY and 32nd Avenue South.

3.3 Description of Structures, Roads, and Other Improvements at the PROPERTY

Structures:

One residence, a one and one half story house, is present at the PROPERTY. The address of the residence is 4141 32nd Avenue South.

Drinking Water and Sanitary Sewer Source:

The PROPERTY obtains drinking water and sanitary sewer services from the City of Minneapolis.

Storm Water Run-off:

Surface water at the PROPERTY drains to topographically lower areas on and adjacent to the PROPERTY. A catch basin is present in the alley that extends through the PROPERTY.

Roads:

The PROPERTY is accessible off 32nd Avenue South along the west and 42nd Street East along the south. An alley extends east off 32nd Avenue South onto the PROPERTY and then connects to 42nd Street East at the south end of the PROPERTY.

4.0 USER PROVIDED INFORMATION

CPED provided AET with a plan that shows the configuration of the PROPERTY. The outline of the PROPERTY shown on that map includes the Light Rail Right-of-Way to the northeast. CPED also provided AET with the name and phone number of a representative of the PROPERTY owner (MnDOT).

This Phase I ESA is being performed to facilitate a sale of the PROPERTY to a developer who intends to construct single family residences on the PROPERTY.

5.0 RECORDS REVIEW

5.1 Physical Setting Sources

Review of Available Soil and Groundwater Information

Soils:

Information published by the Minnesota Geological Survey (1989 Hennepin County Geologic Atlas, *Surficial Geology* by Gary N. Meyer and Howard C. Hobbs) indicates that surficial soils in the vicinity of the PROPERTY are middle terrace deposits. These soils consist of sand, gravelly sand and loamy sand.

Soil borings would need to be drilled to judge the engineering properties of the soils below the PROPERTY.

Bedrock:

Minnesota Geological Survey Information (1989 Hennepin County Geologic Atlas, *Bedrock Geology* by B. Olsen and B. Bloomgren and *Depth to Bedrock and Bedrock Topography* by B. Bloomgren, J. Cleland, and B. Olsen) indicates the uppermost bedrock underlying the PROPERTY is the Platteville and Glenwood Formations comprised of fine-grained limestone containing shale partings near the top and base, underlain by green

sandy shale of the Glenwood Formation. This information also indicates the top of bedrock is 51' to 100' below the surface.

Soil borings/rock coring would need to be performed to confirm the bedrock formation and depths.

Groundwater:

Our interpretation of the groundwater gradient is based on information published by the Minnesota Geological Survey (1989 Hennepin County Geologic Atlas, *Quaternary Hydrogeology* by Roman Kanivetsky). This information indicates the regional groundwater gradient in the vicinity of the PROPERTY is from the west to the east, i.e. toward the Mississippi River.

Installation of groundwater monitoring wells or piezometers would be required to perform a definitive gradient study at the PROPERTY.

Well Record Review

The Minnesota Geological Survey (MGS) maintains a limited database of water well records (i.e., the Minnesota County Well Index). AET requested Historical Information Gatherers, Inc. (HIG) to review this database for logs of wells located at and near the PROPERTY. The results of the HIG search are included in Appendix A.

This search identified no wells at the PROPERTY.

5.2 EDR Federal and State Database Search

AET requested Environmental Data Resources, Inc. (EDR) to provide a Radius Map Report for reported state and federal pollution problems within ASTM specified minimum search distances of the PROPERTY. A copy of the EDR report, dated February 14, 2005, is attached as Appendix B. The results of the database searches are discussed below.

EDR did not identify the PROPERTY within any Federal and/or State regulatory agency databases.

Federal ASTM Standard Databases

NPL – National Priorities List

The NPL list is the Environmental Protection Agency's (EPA's) database of uncontrolled or abandoned hazardous waste sites identified for priority action under the Superfund Program.

EDR identified no mappable NPL or Proposed NPL sites within one mile of the PROPERTY.

CERCLIS and CERCLIS NFRAP

CERCLIS is the national database and management system the Environmental Protection Agency (EPA) uses to track activities at sites considered for cleanup under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), also known as Superfund. CERCLIS contains the official inventory of Superfund sites and supports EPA's site planning and tracking functions. A Superfund site is any land in the United States that has been contaminated by hazardous waste and identified by the EPA as a candidate for cleanup because it poses a risk to human health and/or the environment. Sites designated as "No Further Remedial Action Planned" (NFRAP) have been removed from CERCLIS. NFRAP sites may be sites where, following an initial investigation, no contamination was found, contamination was removed quickly without the need for the site to be placed on the NPL, or the contamination was not serious enough to require Federal Superfund action of NPL consideration.

EDR identified no mappable CERCLIS sites within one-half mile of the PROPERTY and no mappable CERCLIS–NFRAP sites adjacent to the PROPERTY.

CORRACTS – Corrective Action Report

The CORRACTS identifies hazardous waste handlers with Response Conservation and Recovery Act (RCRA) corrective action activity.

EDR identified no mappable CORRACTS sites within one mile of the PROPERTY.

RCRIS – Resource Conservation and Recovery Information System

RCRIS regulates the identification, transportation, treatment, storage, and disposal of solid and hazardous wastes. The act regulates such matters as: Hazardous waste generators and transporters; Land disposal restrictions; Federal procurement of products that contain recycled materials; Municipal solid waste landfill criteria; Solid and hazardous waste recycling; Treatment, storage and disposal (TSD) facilities; and Waste minimization and hazardous waste combustion.

EDR identified no mappable RCRIS-TSD sites within one-half mile of the PROPERTY.

A Large Quantity Generator (LQG) is a facility that generates in one or more months 2,200 pounds or more of hazardous waste. A Small Quantity Generator (SQG) is a facility that generates in one or more months between 220 pounds and 2,200 pounds of hazardous waste.

EDR identified no mappable SQG or LQG sites adjacent to the PROPERTY.

State of Minnesota ASTM Standard Databases

State Haz. Waste – Permanent List of Priorities

The Permanent List of Priorities identifies Hazardous Waste Sites (SHWS) where investigation and cleanup are needed, cleanups are underway, or cleanup has been completed and long-term monitoring or maintenance continues. This database is the state equivalent to the NPL.

EDR identified no mappable SHWS sites within one mile of the PROPERTY.

MN VIC – Voluntary Investigation and Cleanup Program

This is the Minnesota Pollution Control Agency's Voluntary Investigation and Cleanup Program list. By obtaining MPCA approval of investigation and response action plans, landowners, lenders, and potential developers can be reasonably confident that they know the extent of any environmental problems on the property can determine the most appropriate cleanup action and can calculate the cost of cleanup measures needed to satisfy statutory requirements. This database is the state equivalent to CERCLIS.

EDR identified five mappable VIC sites within about one-half mile of the PROPERTY. These VIC sites are listed on Executive Summary page 4 of EDR's report and additional information is included later in the EDR report.

These VIC sites are both located cross to down groundwater gradient from the PROPERTY. As such, these VIC sites are not considered suspect environmental conditions relative to the PROPERTY.

State Landfill – Permitted Solid Waste Disposal Facilities

State records contain information on permitted solid waste disposal landfills (SWF/LF).

EDR identified no mappable SWF/LF sites within one-half mile of the PROPERTY.

LUST – Leaking Underground Storage Tank

The State maintains an inventory of reported LUST incidents.

EDR identified nine mappable LUST sites within about one-half mile of the PROPERTY. The LUST sites are listed on Executive Summary pages 4 and 5 of the EDR report and discussed in the text of the EDR report.

Since the LUST sites are not directly adjacent to the PROPERTY, are cross or down groundwater gradient, and/or their files have been closed by the MPCA, we do not consider these LUST sites as suspect environmental conditions relative to the PROPERTY.

UST – Underground Storage Tank

A record of registered UST sites is maintained by the State.

EDR identified no mappable UST sites adjacent to PROPERTY.

Orphan Summary

EDR also included a list of sites that could not be mapped due to poor or inadequate address information. This is referred to as the Orphan Summary.

Based on or review of the Orphan Summary list of sites, we do not consider these Orphan sites as suspect environmental conditions relative to the PROPERTY.

5.2.1 Summary of EDR Federal and State Database Review

None of the sites identified in the EDR federal and state database information described above are considered suspect environmental conditions relative to the PROPERTY.

5.3 Historical Use Information

The history of the PROPERTY was examined by reviewing topographic maps, aerial photographs, fire insurance maps, historical maps, and street directories. These historical records were provided to AET by HIG and/or EDR.

Topographic Map Review

We reviewed one 1896 St. Paul, United States Geological Survey (USGS) 15 Minute Series Topographic Map and five St. Paul West, Minnesota 7.5 Minute Series Topographic Maps (1951, 1967, 1967/photorevised 1972, 1967/photorevised 1972/photoinpected 1977, 1967/revised 1993). The maps were provided to AET by HIG and are included in Appendix A.

The earliest map shows Hiawatha Avenue in-place and railroad tracks slightly east and parallel to Hiawatha Avenue. It appears that a few streets are present in the vicinity of the PROPERTY.

The other maps show the PROPERTY and surrounding area as developed. The 1967, 1967/photorevised 1972, and 1967/photorevised 1972/photoinpected 1977 maps show the proposed location of a four lane roadway parallel to the west of Hiawatha Avenue. The most recent map shows Hiawatha as an improved roadway in basically the same alignment as the previous map.

All the maps show the PROPERTY and general area as relatively flat at about elevation 830'.

Aerial Photograph Review

AET reviewed aerial photographs that include the PROPERTY area for the following years: 1934, 1937, 1938, 1940, 1950, 1953, 1956, 1957, 1960, 1964, 1967, 1969, 1970, 1974, 1978, 1979, 1983, 1984, 1991, 1993 1997, and 2003. The aerial photographs were provided to AET by HIG and are included in Appendix A. Below is a summary of each year.

Flight Years 1934 and 1937:

Most of the lots are shown with buildings fronting 32nd and 33rd Avenue South and smaller buildings – detached garages – along an alley that runs between the two streets. Except for a building present within the northwest corner of the intersection of 33rd Avenue South and 42nd Street East, the buildings are likely houses. The building in the northwest corner of 33rd Avenue South and 42nd Street East is larger, suggesting it may be an apartment building or a business.

Surrounding land use appears to be residential, though there is also a larger building present east of the alley in the north half of the PROPERTY.

Flight Years 1938 through 1967:

No significant changes from the previous photographs, other than a few additional buildings being present, are apparent at the PROPERTY.

Surrounding land use appears similar to the previous photographs. In addition, a gas station is apparent in the northeast corner of 33rd Avenue South and 42nd Street East.

Flight Years 1969 through 1974:

Many of the buildings shown on the previous photographs are removed from this PROPERTY during the course of these photographs. By 1974, only two houses and detached garages near the south end of the PROPERTY are present.

The gas station in the northeast corner of 33rd Avenue South and 42nd Street East is no longer present on these photographs.

Flight Years 1979 through 1984:

No significant changes from the previous photographs are apparent at the PROPERTY.

Buildings present east of the north half of the PROPERTY on the previous photograph are no longer apparent.

Flight Years 1991 through 2003:

The two earlier photographs show two houses at the south end of the PROPERTY adjacent to 32nd Avenue South. The two later maps show only one house. These photographs also show an alley extending east off 32nd Avenue South and it connects to the alley shown on the previous photographs as extending in the north-south direction through the PROPERTY.

Hiawatha Avenue has been upgraded east of the PROPERTY.

Although the scale of the 1938, 1950, 1956, 1960, 1967, 1970, 1978, 1983, and 1993 photographs is expanded, the scales on all the photographs are relatively small making it difficult to decipher specific site features.

Fire Insurance Map Review

Various mapping companies originally generated fire insurance maps depicting site specific land uses and construction information for the insurance industry to allow them to evaluate the fire risks associated with each property. Today, these maps are used for reviewing past land use and construction activities and the potential for environmental impact to property. EDR maintains a collection of such maps.

Fire Insurance maps for the PROPERTY area for the years 1912, 1930, 1941, 1951, 1952, and 1966 were provided to us by EDR. Copies of the maps that include the PROPERTY area are included in Appendix B.

The maps consistently show dwellings and sheds throughout the PROPERTY, though on the earlier map only a few buildings are present.

The maps also show the areas surrounding the PROPERTY developed residentially. A church is shown southwest of 32nd Avenue South and 42nd Street East on all the maps; a gas station is shown in the northeast corner of the intersection of 33rd Avenue South and 42nd Street East on the 1941 and later maps; and a tire and battery service business is shown south of 42nd Street East and east of 33rd Avenue South on the 1941 map..

Please be advised that the Sanborn fire insurance maps included within this report are protected by copyright law. AET has been granted permission to make a limited number of photocopies. Use of these documents in a manner contrary to the scope of services provided in this report cannot be done without written permission of EDR. To do otherwise or use these documents for commercial purposes is a direct violation of copyright law.

Historical Map Review

We reviewed City of Minneapolis and Hennepin County Historical Maps for the years 1892, 1914, and 1940. The maps were provided to AET by HIG and are included in Appendix A.

The 1892 map shows the PROPERTY and surrounding area as platted land. 32nd Avenue South is shown along the west side of the PROPERTY; 41st Street East is shown as an east-west street north of the PROPERTY; Hiawatha Avenue and 33rd Avenue South are to the east; 42nd Street East is along the south.

The 1914 map shows a building east of the north end of the PROPERTY and part of a building extends into the east side of the PROPERTY near the south end. Scattered dwellings are shown to the east and west. Land directly north is vacant. The map does not show land south of 42nd Street East.

The 1940 map shows dwellings and sheds scattered throughout the PROPERTY. Additional residential development is apparent in the surrounding area.

Street Directories Review

We reviewed street directories (reverse telephone directories) for the City of Minneapolis as part of this Phase I ESA. Directory pages for selected years 1930, 1935, 1940, 1946, 1952, 1957, 1962, 1966-67, 1972, 1977, 1981-82, 1987, 1993, and 1999 were provided to us by HIG and are included in Appendix A.

Listings along 32nd Avenue South associated with the PROPERTY include 4101 through 4145 32nd Avenue South. The directories consistently show these addresses registered to residences, though in the later years fewer residences are listed.

Parts of lots fronting 33rd Avenue South that are part of the PROPERTY include the addresses 4128 through 4148 33rd Avenue South. These addresses are registered to residences through 1966-67. These addresses are not listed in the 1972 and later directories.

Parts of lots fronting 42nd Street East that are part of the PROPERTY include the addresses 3226 through 3230 42nd Street East. Listings to these address in the 1966-67 and earlier directories include the following businesses: a barber/beauty shop, contractor, ceramic supplier, cabinet maker, radio and TV, candies, grocery store, and a meat market. These addresses are not listed in the 1972 and later directories.

The directories list residences west across 32nd Avenue South and south across 42nd Street East from the PROPERTY. The lots east of the north half of the PROPERTY are listed as residences, a sash and door company, a landscape business, a cement contractor, and a restaurant in the 1972 and earlier listings. The 1940 through 1966-67 directories list a gas station in the northeast corner of 33rd Avenue South and 42nd Street East and a battery rebuilder in the southeast corner of 33rd Avenue South and 42nd Street East in the 1930 through 1940 directories.

5.3.1 Summary of Historical Document Review

Our review of the historical documents did not identify any suspect environmental conditions at the PROPERTY.

The historical documents reviewed indicate the PROPERTY was previously developed with various buildings that included mostly residences. The remains of buildings that previously occupied the PROPERTY are likely present. We do not consider the presence of these former buildings a suspect environmental, though if remains of the buildings are encountered in conjunction with the proposed construction, the remains of these buildings will need to be properly managed

A gas station farther east of the southeast corner and a battery rebuilder farther southeast of the southeast corner of the PROPERTY are not considered suspect environmental conditions because both sites are not directly adjacent and down or cross groundwater gradient of the PROPERTY.

5.4 Additional Record Sources

Underground Pipelines Review

We reviewed 1989 and 1997 maps prepared by the Minnesota Department of Transportation regarding underground petroleum pipelines in the vicinity of the PROPERTY.

The maps do not show any petroleum pipelines extending through or adjacent to the PROPERTY.

6.0 INFORMATION FROM PROPERTY VISIT

Charles Bisek of AET visited the PROPERTY on February 16, 2005. Photographs taken at the time of our visit are included in Appendix C.

6.1 Hazardous Substances or Containers

No hazardous substances or containers were observed on the PROPERTY.

6.2 Petroleum Products

No petroleum products were observed on the PROPERTY.

6.3 Storage Tanks

No evidence of storage tanks (such as fill or vent pipes or access ways) was observed on the PROPERTY.

6.4 Drums

No drums were observed on the PROPERTY.

6.5 Odors

No unusual odors were noted on the PROPERTY.

6.6 Pools of Liquid or Stained Surfaces

No pools of liquid or stained surfaces were observed on the snow covered surface at the PROPERTY.

6.7 Stressed Vegetation

Surface vegetation was seasonally dormant at the time we visited the PROPERTY.

6.8 Indications of Polychlorinated Biphenyls (PCBs)

No pad or pole-mounted electrical transformers were observed on the PROPERTY.

6.9 Indications of Solid Waste Disposal

We did not observe any evidence of indiscriminate dumping or disposal on the ground surface at the PROPERTY. However, we did observe a slab associated with a former garage along the west side of the alley and northeast of the residence that is still present at the PROPERTY.

6.10 Physical Setting Analysis

The PROPERTY is located in a residentially developed area and adjacent to commercial development in Minneapolis.

7.0 INFORMATION FROM INTERVIEWS

AET interviewed various parties as part of this Phase I ESA. The results of the interviews are summarized below.

Keith McMurray – Minnesota Department of Transportation

Mr. McMurray is the PROPERTY owner representative. Mr. McMurray reported the PROPERTY is comprised of 83,763 square feet and that is directly east of the Light Rail Transit line. He indicated the PROPERTY was previously occupied by single family houses. Mr. McMurray reported he is not aware of any previous Phase I ESAs or soil borings performed at the PROPERTY. Mr. McMurray provided AET with a map that shows the configuration of the PROPERTY. The map is included as Figure 2.

Jane Lee – Minnesota Department of Transportation

Ms. Lee of the MnDOT is involved with the sale of the house that still occupies the PROPERTY. She reported that asbestos has been abated from the existing house and that the house was serviced by natural gas. She also indicated that the house is or will be sold and moved from the PROPERTY.

8.0 CLOSURE

The services performed by American Engineering Testing, Inc. for this project have been conducted in a manner consistent with that level of skill and care ordinarily exercised by other members of the profession currently practicing in this area, under similar budgetary and time constraints.

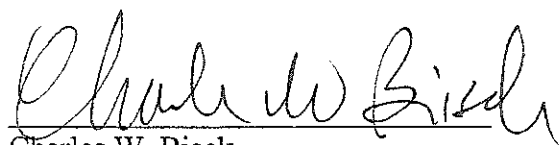
The findings and conclusions presented in this report are based on AET's understanding of the clients intended use of the PROPERTY. If the intended use of the PROPERTY changes, AET should be notified to review these changes and to determine the impact, if any, of the changes on the presented findings and conclusions

If conditions differing from our original findings are found, AET should be immediately contacted to review these conditions and determine if there are any material impacts on any of our findings and conclusions.

9.0 SIGNATURES AND QUALIFICATIONS

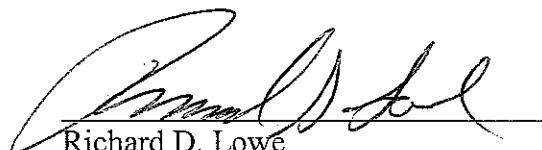
Refer to Appendix D for resumes of the environmental professionals associated with this Phase I ESA.

Report Prepared By:
American Engineering Testing, Inc.



Charles W. Bisek
Senior Environmental Scientist

Report Reviewed By:
American Engineering Testing, Inc.



Richard D. Lowe
Environmental Engineer